



WACHOVIA



THE MARKET

Wachovia Corporation, headquartered in Charlotte, North Carolina, is one of the largest providers of financial services — serving 13 million household and business relationships with a full range of retail banking and brokerage, asset and wealth management, and corporate and investment banking. Wachovia Bank’s retail and commercial operations are a dominant presence in 15 states from Connecticut to Florida and west to Texas. The full-service retail brokerage firm, Wachovia Securities, LLC, serves clients in 49 states and five Latin American countries. The Corporate and Investment Bank serves clients primarily in 10 key industry sectors nationwide. International banking services also are offered through 33 representative offices. Online banking and brokerage products and services also are available through wachovia.com.

ACHIEVEMENTS

In early 2005 came the news that Wachovia for the fourth consecutive year had outpaced competitors to rank as the banking leader in the University of Michigan Business School’s American Customer

Satisfaction Index. Wachovia’s score was two points higher than the year before, setting a new banking industry standard for the survey.

Those results reflected a singular focus on customer service forged through lessons learned in more than 140 banking and financial services-related mergers. The latest pacesetting score also followed from the bold actions of then-First Union chief executive officer Ken Thompson, who took the helm of the company in 1999. It was “not by accident that my first action as a new CEO was to tackle service quality,” says Thompson. “It was required for survival.

“We spent \$100 million in early 2000 to increase staffing levels in our branches, call centers, and operations areas. This was a leap of faith because we couldn’t afford \$100 million more in expense at the time. We altered our incentive compensation plans to emphasize service *and* sales and instituted a clear measurement system to track customer satisfaction using quarterly Gallup surveys of our customers.”

At the same time, Thompson became the leader of a monthly meeting of senior line and staff leaders — which continues to

meet today — formed to quickly address any operational or system issues that create customer service obstacles.

The path to best-in-class customer service had been cleared. And then Thompson made good on one of the boldest moves of all: First Union’s merger with longtime North Carolina banking competitor Wachovia, and claiming its distinctive name.

Thompson has succinctly referred to it as the banking equivalent of “the Red Sox merging with the Yankees.”

The two financial powerhouses that came together then have moved forward since, setting forth a simple but bold new vision — to be the best, most trusted, and most admired company in the financial services industry. At the time, Thompson termed the merger far more than two companies coming together to become a new, stronger one. It was an opportunity to chart a new course — to create a new community based on the foundation of uncommon wisdom for shared success.

HISTORY

In September 2001, Wachovia Corporation, which grew from an institution founded in 1879, and First Union Corporation, whose history dates back to 1908, merged to create one of the nation’s top financial holding companies. Both Wachovia and First Union had their roots in North Carolina



and had grown in a state that was one of the first to allow branch banking.

Wachovia National Bank was founded on June 16, 1879, in the growing town of Winston in the Piedmont of North Carolina through the relocation of a small bank from nearby Salem, a quiet village that had originally been settled by Moravian immigrants in the mid-eighteenth century. The original settlement was at the heart of an area that they named “Wachau,” after a section of the Wachau valley along the Danube River, which it resembled.

**A WORD OF THANKS
TO 20 MILLION VERY
SPECIAL PEOPLE.
OUR CUSTOMERS.**

THANK YOU FOR OUR #1 CUSTOMER SATISFACTION RATING.
For the fourth straight year, Wachovia has been rated first by American Customer Satisfaction Index, a nationally recognized independent survey. To us, there is no more meaningful recognition, because nothing is more important than our customers. Their satisfaction lets us know that we are doing exactly what we set out to do: help people and businesses achieve financial goals. See how we can do the same for you. Stop by a Wachovia Financial Center, call 800-WACHOVIA or visit wachovia.com.

HOW SATISFIED ARE YOU WITH YOUR BANK?

WACHOVIA
Uncommon Wisdom

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The name was eventually anglicized as “Wachovia.” Over the years the name vanished from local maps but continued on and gained stature as the name of one of the Southeast’s and the nation’s most prominent financial services companies.

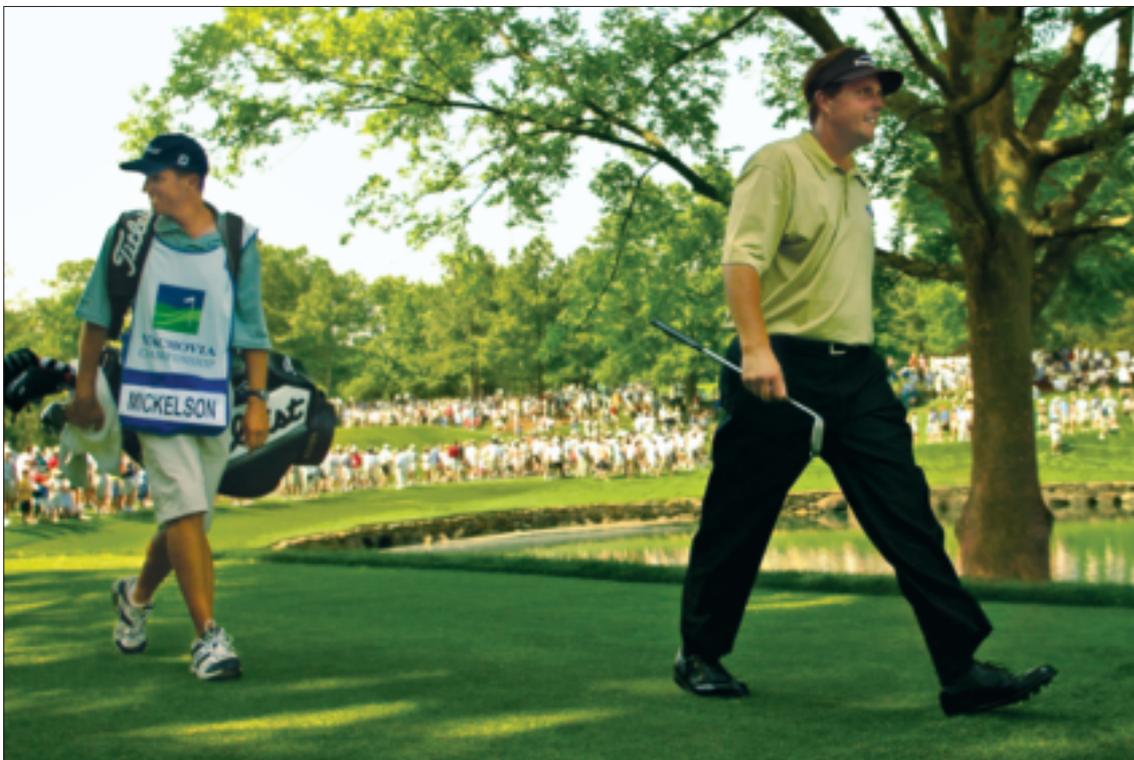
First Union had its beginning behind a rolltop desk in the lobby of Charlotte’s Buford Hotel as Union National Bank on June 2, 1908. Its owner, H. M. Victor, developed a reputation as a conservative banker, and his insistence on high creditworthiness among borrowers became a hallmark of the institution. It also developed a strong reputation for customer service through the years, growing with its merger with First National Bank and Trust Company of Asheville in 1958 to become the First Union National Bank of North Carolina. A succession of financial services–related mergers followed.

Being a leader in banking and financial services was truly part of the heritage of the company that evolved. Predecessor companies included the Bank of North America, the first bank proposed, chartered, and incorporated in America (1781) as well as the first bank in the country to open its doors (January 1782).

Wachovia established one of the first management training programs emphasizing customer service, set up the country’s first time-payment department to provide consumer loans, and became the first in the Southeast to computerize its operations. First Union was one of the first banks to offer a full line of mortgage and insurance products after merging with Cameron Brown in 1964. It was the first bank in the country to link its branches by satellite for data transmission.

RECENT DEVELOPMENTS

Wachovia announced a move to enter the Texas market in 2004 and subsequently followed up with a major announcement, merging with SouthTrust to create an unmatched franchise in the high-growth southeastern footprint and accelerate the expansion into Texas.



Other news for Wachovia in recent years has included a variety of notable distinctions, such as multiple designations for customer service and loyalty — as well as excellence in its products and services. Wachovia has been named among the best-performing major companies in the United States, cited for adhering to high levels of corporate governance and business ethics, recognized for inclusive workplace policies, and singled out for its commitment to communities.



WACHOVIA CHAMPIONSHIP

service, personal excellence and accountability, and winning — are drawn from rich legacies.

The company’s vision and its values are distilled in the concept of uncommon wisdom — which is rooted in the company’s service philosophy of providing unmatched service and advice through collective wisdom, insight, and professionalism.

This concept is captured in interwoven lines in the Wachovia landmark itself — streams of knowledge and experience converging to provide the uncommon wisdom that promotes growth and collective success.

As stated in the company’s advertising:

“Wisdom is everywhere. Uncommon wisdom is knowing how to apply it. Because when we take all that you know And all that we’ve learned, We can achieve uncommon things.”

PROMOTION

Emblematic of its brand, Wachovia launched in 2003 the Wachovia Championship, a new, late-spring PGA TOUR event in Charlotte.

The event, labeled “a tradition” in even its first year, showcases a world-class course layout, impressive field of players, and hospitable surroundings at the classic Quail Hollow Club. The tourney purse is one of the most lucrative on the PGA TOUR, and the event draws national television coverage. Underpinning the Wachovia Championship is the brand foundation of uncommon wisdom for shared success — as well as the company’s steadfast commitment to community.

A portion of the proceeds from the event — \$1 million in the first year — goes to Teach For America, a national corps of outstanding college graduates of all academic majors who commit two years to teach in low-income urban and rural communities.

Since Teach For America placed its first 500 corps members in classrooms in 1990, more than 12,000 outstanding college graduates have joined its movement to eliminate educational inequity. Some 1.5 million children in low-income communities in 22 locations have benefited.

BRAND VALUES

Wachovia’s core values — integrity, respect and value for the individual, teamwork,

THINGS YOU DIDN'T KNOW ABOUT WACHOVIA

- In 2004, Wachovia helped an average of 475 lower-income families buy homes each week and helped more than 77,000 entrepreneurs grow or expand their own businesses.
- Wachovia employees — who are given up to four hours each month from work to volunteer in their communities — committed more than 600,000 hours in 2004 to a variety of service projects.
- In the past eight years, Wachovia has donated more than 500,000 books to more than 13,500 elementary schools, where Wachovia employees have participated in a Reading First program. Employees visit the schools once a week for 20 weeks to read the books that later will be donated.